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VIA HAND DELIVERY

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Re: In the Matter of Federal-State Joint Board on Universal Service
CC Docket 96-45 (FCC Further Notice of Proposed Rulemaking, FCC
98-278)

Dear Ms. Salas:

On behalf of Centennial Cellular Corporation, enclosed are its Reply Comments
in the above-referenced proceeding.

Please contact the undersigned if you have any questions.

Sincerely,

Karlyn D Stanley (by ccc)
Karlyn D. Stanley

Enclosures

cc: Sheryl Todd, Accounting Policy Division
ITS (diskette)

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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**U.S. DEPARTMENT OF COMMERCE
OFFICE OF THE SECRETARY**

In the Matter of

Federal-State Joint Board
on Universal Service

CC Docket No. 96-45

**REPLY COMMENTS OF
CENTENNIAL CELLULAR CORPORATION**

Centennial Cellular Corporation ("Centennial") filed initial comments in response to the Commission's Further Notice of Proposed Rulemaking in this proceeding on January 11, 1999. In those comments, Centennial recommended that the Commission adopt new rule provisions under § 54.307 as proposed by Western Wireless Corporation ("Western Wireless") to explicitly allow new entrants to provide updated working loop information and to allow new entrants to enter the Universal Service high cost support system more frequently.

Centennial's initial comments demonstrated the disparate impact that the Commission's current rules have on a new entrant like Centennial, especially in Puerto Rico. Currently, because of the way loop counts are reported, new entrants like Centennial may have to wait as long as two years before they can receive any universal service support, while incumbents such as the Puerto Rico Telephone Company can receive support immediately. Centennial urged the Commission to adopt the changes to its rules proposed by Western Wireless, so that

new entrants may update their loop counts as frequently as ILECs. Such an approach would reflect the competitive neutrality dictated by the Commission's Universal Service Order.¹

In their Comments, the Cellular Telecommunications Industry Association ("CTIA") and AT&T both supported the Western Wireless petition.² GTE, however, stated in its Comments that, "while Western Wireless has a valid concern, the Commission should reject Western Wireless' recommendation to amend Parts 36 and 54 rules."³ GTE even acknowledged that "Western Wireless has a valid concern regarding the frequency with which an Eltel may submit claims for universal support..."⁴ Despite this fact, GTE suggested in its Comments that the Commission maintain the current rules for another three years. Centennial urges the Commission to address the competitive inequality that exists in its rules now, not three years from now. Obviously, any delay in the revision of the rules will benefit ILECs like GTE.⁵

GTE makes a good point that the Commission's rules should not promote a mismatch between the information reported by the ILECs and the new entrants. To prevent such a

¹ See In the Matter of Federal-State Joint Board on Universal Service, *Report & Order*, 12 FCC Rcd at 8802 (1997), Para. 49.

² Comments of the Cellular Telecommunications Industry Association ("CTIA") at 13. Comments of AT&T Corp. at 5-7.

³ Comments of GTE at 20.

⁴ *Id.*

⁵ Centennial finds it significant that GTE is in the process of acquiring the Puerto Rico Telephone Company ("PRTC").

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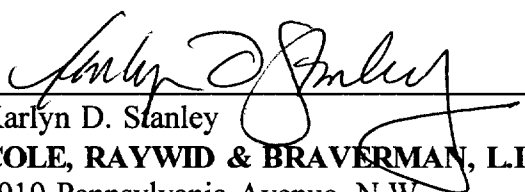
mismatch, the Commission basically has two choices: either all carriers that receive USF support should be allowed to update their loop information on the same schedule, or carriers should not be able to update their information at all. It is perfectly clear that the current situation results in ILECs obtaining greater, and prompter, funding from the USAC. The most serious "mismatch" of information concerning loop counts would occur if an ILEC continued to receive USF support for a loop that long since had been won by a new entrant - and for which the new entrant was not receiving support because of the requirements of Section 54.307(b). Therefore, Centennial suggests that the Commission place an affirmative obligation on all carriers -- especially ILECs --to advise the FCC if their loop counts are reduced from the figures that they have reported to the Commission.

In summary, Centennial urges the Commission to adopt the Western Wireless proposal that will permit new entrants to submit updated loop count information to USAC on the same schedule as ILECs, so carriers like Centennial may demonstrate their eligibility for high cost support and then receive the appropriate level of funding in a more timely manner.

Respectfully submitted,

CENTENNIAL CELLULAR CORPORATION

By:


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Date: January 26, 1999

**REPLY COMMENTS OF CENTENNIAL CELLULAR CORP.
CC DOCKET No. 96-45**

Certificate of Service

I, Debra Sloan, hereby certify that a true and correct copy of the Reply Comments of Centennial Cellular Corporation were served via first-class mail this 26th day of January, 1999 to the following:

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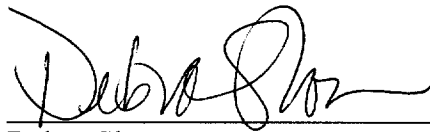
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A handwritten signature in black ink, appearing to read "Debra Sloan", written over a horizontal line.

Debra Sloan